



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

**THE MINUTES OF THE HOUSE STANDING COMMITTEE
ON
FINANCIAL LIABILITY REFORM**

Wednesday, March 18, 2015

12:00 p.m.

Room 327 House Office Building

The House Standing Committee on Financial Liability Reform was called to order by
Representative Pat Somerville, Chair.

MEMBERS PRESENT: Representatives Somerville, Leuthesuer, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

MEMBERS ABSENT/EXCUSED: None.

Representative Farrington moved to adopt the minutes from the **March 11, 2015**, meeting. There being no objection, the motion prevailed by unanimous consent.

Chair Somerville laid **HB 4325, HB 4326, HB 4327, HB 4328, HB 4329, HB 4330, HB 4331** and **HB 4332** before the committee:

HB 4325 (Poleski)	Education; school districts; preplanned financial reporting; require for school districts as part of early warning system.
HB 4326 (Poleski)	Education; financing; preliminary review to determine the existence of probable financial stress in school districts; require under certain conditions, and modify the state financial authority for certain school districts.
HB 4327 (Pscholka)	Education; school districts; deficit elimination plan; provide for enhancement.
HB 4328 (Lyons)	School aid; other; deficit elimination plan requirement; revise.
HB 4329 (Somerville)	Education; financing; school district placement under control of an emergency manager for failure to comply with enhanced deficit elimination plan; provide for.
HB 4330 (Kelly)	School aid; payments; reference to deficit elimination plan compliance in school aid act; update, include enhanced deficit elimination plans, and revise other reporting requirements.
HB 4331 (Jacobsen)	Local government; financing; emergency municipal loan act; increase cap on emergency loans.
HB 4332 (Garcia)	State financing and management; funds; surplus funds act; modify.

TESTIMONY

Representative Poleski, sponsor of HB 4325 and HB 4326, explained the bills to the committee.

John Barton and **Paul Connors**, representing the Michigan Department of Treasury, gave a presentation on “*School District Early Warning Overview*” and submitted a handout to the committee members.

Questions and discussion followed.

Jennifer Smith, representing the Michigan Association of School Boards, testified in opposition to HB 4325, HB 4326, HB 4327, HB 4328, HB 4329 and HB 4330.

Alicia Urbain, representing Michigan Association of Public School Academies (MAPSA), testified indicating neutrality on HB 4325.

The following individuals submitted a card but did not want to speak:

Gerald Peregord, representing the School Equity Caucus, opposes HB 4325-HB 4330.

Kathleen Merry, representing the Wayne Regional Educational Service Agency, opposes HB 4325-HB 4330.

Chris Hackbarth, representing the Michigan Municipal League, supports HB 4331.

There being no further business to come before the committee, the Chair adjourned the meeting at 12:54 p.m.

Representative Pat Somerville, Chair

House Standing Committee on Financial Liability Reform

Malika Abdul-Basir

Committee Clerk

517-373-7256

54 Minutes